

A SHAW THING

Promising projects and strategic deals have put Shaw River Resources in a good position to make the move from explorer to miner.

WITH EXPLORATION at its flagship Baramine project in the Pilbara well underway and the recent acquisition of the Butre project in Ghana, things are looking good for Shaw River.

The manganese-focused explorer has added significant value over the past 12 months, with a number of deals bringing new projects into the fold. Its manganese projects now include Baramine, Skull Springs, Mt Minnie, Dingo Creek and 701 Mile in the Pilbara and Butre in Ghana. Shaw River also has the Abydos base metals project and Hedland gold project in the Pilbara.

The company's leading project is Baramine, located in the same resource corridor as Consolidated Minerals' high-grade Woodie Woodie manganese mine in the Pilbara.

Managing director Vince Algar said Shaw River saw an opportunity in the project, because of its proximity to infrastructure and its geological prospects.

"It's in a world-class corridor and there is only one mine operating in the corridor," Algar told *RESOURCESTOCKS*.

"Woodie Woodie has been a very high grade mine in Western Australia for about 40 years, it's currently producing around a million tonnes

of high-grade manganese and the company that runs it has got a very large ground holding there, so getting land in that area was very hard to do.

"We've managed to get land in a very good area that hadn't been explored before, and we're very happy with the ground."

The reason Baramine remained unexplored for so long is that it lies across a large river from Woodie Woodie, which in the past prevented access to the area.

So far the project looks promising for manganese, with a large amount of it at surface when Shaw River's team first arrived.

"When we got there we found over 100 manganese occurrences on the ground in just one month of exploration, and we haven't put a hole into many of those occurrences at this stage," Algar said.

"We've been there over 18 months now and drilled 120 drillholes into the area, of which we've actually got back 61 significant manganese intersections, so that's quite a good hit rate for the first 120 holes ever drilled in the place.

"By significant, we mean thicker than 3 metres and greater than 10 per cent manganese."

Shaw River has discovered large zones of manganese alteration, and is now searching for zones of high-grade

material within these zones. Algar said finding the zones of high-grade material within the larger deposit made it easier to start the mine, while the surrounding larger, lower-grade zone will keep it going.

"We can see some of this high-grade material," he said.

"We find it on the surface and it's not accidental that it's there. All the pointers are telling us there's something there. We've got to keep looking.

"We'd be silly to take one of the best geology environments for manganese in the world, drill 120 holes and just walk away."

At the end of June, Shaw River commenced a 6000m drilling program at the site, in a concentrated effort to locate a number of high-grade bodies.

Results from the program are expected in August 2010, with the company's aim being to establish the basis for a direct shipping ore operation.

Shaw River's second major focus for 2010 is its recently acquired 80% stake in the Butre project in Ghana.

Although west Africa is well known as home to many gold operations, Algar said the region also has a history in manganese production.

"There are significant manganese resources left in west Africa," Algar explained.

"Because the focus has been on gold for so long, manganese sort of flies under the radar, and there are a number of resources, both remnant and in situ, that haven't been exploited."

Shaw River spent some time assessing its options for an African project, looking at criteria such as low political risk, good infrastructure

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SHAW RIVER RESOURCES

and good geology. Ghana ticked all the boxes, and in October 2009 Shaw River entered into an option agreement to acquire Butre from Mwana Africa.

Algar said the country's historical association with manganese mining has been a bonus, as the local community was already familiar with the industry.

"We know Ghanaians understand mining," he said. "They have a very strong mining culture and understand the importance of mining to the economy."

Back when Ghana was still a British colony, before it achieved independence in 1957, the British would mine manganese to use in their war efforts.

Algar said that while Butre was not the largest project, it was well placed in terms of infrastructure and the resource could turn out to be larger than expected.

"Through our contacts we ended up picking up this particular project, which is quite a small project but it's located ideally," Algar said.

"It's very close to the coast, only 30 kilometres from a major manganese port, it's in a manganese field and it's a known occurrence.

"The known occurrence is a remnant hill about a kilometre long and about 100 metres high, and we put some holes into it after we got hold of it.

"We've set up an exploration target of about three and a half million tonnes of ore, knowing that's a good number and knowing that we believe that the deposit can handle it.

"We anticipate there's much more to find there as methodical exploration progresses."

The Butre project is also prospective for high-grade gold, which could be mined simultaneously with manganese.

The project's previous holders had explored for gold, with a 16-hole reverse circulation drilling program over 800m strike turning up some promising results, including 20m at 3.5 grams per tonne gold, 8m at 2.75gpt gold and 75m at 1.2gpt gold.

"That in itself is not insignificant, but over 800 metres apart, poorly drilled, not tested, we believe there's a significant ounce target on the tenement in addition to the manganese," Algar said.

"While manganese is our primary focus, we believe we can get excellent value for shareholders in working up this gold while we're there, because we can do them both at the same time."



Shaw River will undertake a soil and auger program over the Butre tenement, looking for manganese and gold and to identify drill targets for both resources.

On the corporate side, Shaw River is making a name for itself as a deal-maker, something Algar said has added significant value for shareholders.

"When I look at our deal history over the past year, as a company we've done a lot of deals, and that's brought the shareholders option value for new things," Algar said.

"We bought into a whole lot of ground in Abydos with Atlas, which gave a number of different opportunities which will still come to fruition, we've done a deal which is our main east ground in the West Pilbara with Contact Uranium, then we did the deal for Baramine with prospector Denis O'Meara.

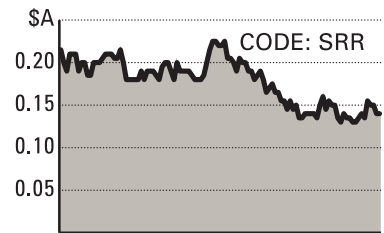
"We also picked up a the 701 Mile Project down in the Newman area which has proved quite useful, it's got a manganese gravel exploration target of over two million tonnes at over 12 per cent, and that's going to come to fruition too.

"Our aim for the 2010 year is to get a manganese resource base and some credible economic models on how we're going to develop them."

– **Christine Feary**

A large amount of manganese was visible at surface when Shaw River first arrived

SHAW RIVER RESOURCES AT A GLANCE



5 months ending June 28, 2010

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MARKET CAPITALISATION

\$A27.8 million (at press time)

QUOTED SHARES ON ISSUE

198,398,572

MAJOR SHAREHOLDERS

Atlas Iron 45.46%
OM Holdings 12.42%
Phillip Securities 1.46%